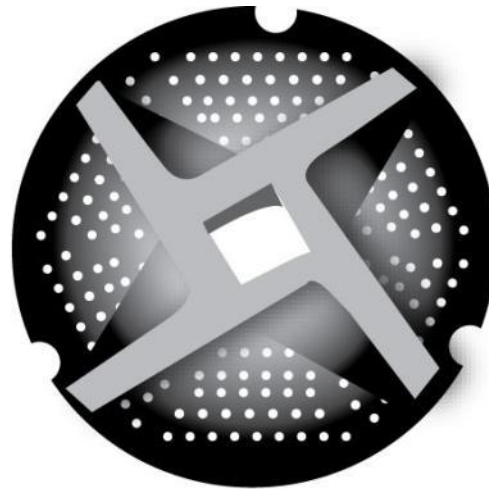


Poultry Processing Exemptions



NICHE MEAT PROCESSOR

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Poultry Exemptions Under the Federal Poultry Products Inspection Act



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The PPIA and Federal Regulations Provide for Several Types of Exempt Slaughter and Processing Operations/Businesses

1. Slaughter & processing of poultry for personal use;
2. Custom slaughter & processing for personal use;
3. Producer/Grower no more than 1,000/calendar year;
4. Producer/Grower no more than 20,000/yr.;
5. Producer Grower or Other Person (PGOP) no more than 20,000/yr.—meals/processing;
6. Small Enterprises: slaughter/cut up no more than 20,000/yr.—carcasses and parts, no further processing;
7. Retail Stores;
8. Restaurants;
9. Religious

The PPIA and Federal Regulations Provide for Several Types of Exempt Slaughter and Processing Operations/Businesses

“Guidance for Determining Whether a Poultry Slaughter or Processing Operation is Exempt from Inspection Requirements of the PPIA” (2006)

[www.fsis.usda.gov/OPPDE/rdad/FSISNotices/
Poultry_Slaughter_Exemption_0406.pdf](http://www.fsis.usda.gov/OPPDE/rdad/FSISNotices/Poultry_Slaughter_Exemption_0406.pdf)

A Misconception

That an exempt operation is exempt from all requirements of the Poultry Products Inspection Act (PPIA).

Exempt From What?

“**Exempt**” means that certain types of poultry slaughter and processing operations qualify to operate **without**:

- The benefit of daily federal inspection
- A grant of Federal inspection
- Continuous bird-by-bird inspection
- Presence of federal inspectors

Which and how many exemptions may a person or business claim when slaughtering or processing poultry?

- A slaughterer or processor of poultry may not simultaneously operate under more than one exemption during a calendar year.
- A person or business may slaughter or process poultry under an exemption if the operation qualifies for the exemption.

Six Common Requirements & Limitations Applicable to the Exemptions Presented Today

1. The poultry is healthy when slaughtered;
2. The slaughter and processing are conducted under sanitary standards, practices, and procedures that produce poultry products that are sound, clean, and fit for human food (not adulterated);
3. The poultry is not misbranded, i.e., is identified as exempt product and labeled correctly;

Six Common Requirements & Limitations Applicable to the Exemptions Presented Today

4. The business operates under only 1 exemption during calendar year;
5. Product cannot bear the Official USDA mark of inspection; and
6. Poultry products do not move in inter-state commerce.

Basic Sanitary Standards

- FSIS Regulations:
 - 9 CFR Parts 381.10-381.15 (Exemptions)
 - 9 CFR Parts 416.2-416.5 (Sanitation)
- FSIS Sanitation Performance Standards Compliance Guide, dated October 13, 1999:
http://www.fsis.usda.gov/FSIS_Employees/Compliance_Guides_Index/index.asp
- Includes: Sanitary operating conditions; grounds and pest control; sewage and waste disposal; water supply and water, ice, and solution reuse; facilities; dressing rooms, lavatories, and toilets; inedible material control

Personal Use Exemption

Personal Use Exemption

- Slaughtered/processed poultry is for private use of the grower/producer/owner, members of household, and nonpaying guests and employees
- The poultry is not sold or donated for use as human food
- Shipping containers bear the following:
 - a. the producer's name
 - b. the producer's address
 - c. the statement, "Exempt P.L. 90-492" (federal) unless exempt under a state law, then cite state law
- No limit to total amount of poultry

Custom Exemption

Custom Exemption

- A business/person who slaughters/processes poultry belonging to someone else
- Does not engage in the business of buying or selling poultry products for use as human food
- The grower/owner of custom slaughter/processed poultry may not sell or donate the custom poultry to another person or institution
- Shipping containers labeled as for personal exemption
- No limit to total amount of poultry

Producer/Grower 1000 Bird Limit Exemption

Producer/Grower 1,000 Bird Limit Exemption

- May slaughter and process on their premises poultry that they raised
- May not engage in buying or selling poultry products other than those produced from poultry raised on their premises
- Keeps records as required by 9 CFR 381.175
- Labeling requirements

Producer/Grower 20,000 Bird Limit Exemption

Producer/Grower

20,000 Bird Limit Exemption

- May slaughter and process more than 1,000 but not more than 20,000 birds on their premises raised on their premises;
- May not engage in buying or selling poultry products other than those produced from poultry raised on their premises;
- May sell poultry products that they prepare to other businesses for resale as meat or meals including distributors, hotels, restaurants, retail stores, institutions, or small enterprises that produce product under a federal or state exemption.

Producer/Grower 20,000 Bird Limit Exemption Labeling Requirements

Shipping containers, when distributed in intrastate commerce, bear:

- a. the processor's name,
- b. the address,
- c. the statement, Exempt P.L. 90-492,
- d. safe handling instructions

(Instead of all the required features of a label for inspected product.)

Producer/Grower or Other Person (PGOP) Exemption

PGOP Exemption Limitations (1)

1. The poultry is healthy when slaughtered;
2. The slaughter and processing are conducted under sanitary standards, practices, and procedures that produce poultry products that are sound, clean, and fit for human food (not adulterated);
3. The poultry is not misbranded and is identified as exempt product and labeled;
4. The business operates under only 1 exemption during calendar year;
5. Product cannot bear the Official USDA mark of inspection;
6. Poultry products do not move in interstate commerce.

PGOP Exemption Limitations (2)

7. The business slaughters or processes no more than 20,000 birds/carcasses in a calendar year under the exemption;
8. The facility used to slaughter or process poultry is not used to slaughter or process another person's poultry unless the Administrator of FSIS grants an exemption [9 CFR 381.10 (b)(2)];
9. The PGOP is the **sole distributor** i.e. sells directly to household consumers, restaurants, hotels, and boarding houses for the **preparation of meals** sold directly to customers;

PGOP Exemption Limitations (3)

10. The PGOP **may** purchase live poultry from a grower, then slaughter and process these poultry as sole distributor.
11. May not sell poultry products to a retail store, institution, or other producer/grower;
12. May not process poultry owned by another person.

PGOP Exemption Labeling Requirements

Shipping containers, when distributed in intrastate commerce, bear:

- a. the processor's name,
- b. the address,
- c. the statement, Exempt P.L. 90-492,
- d. safe handling instructions.

(Instead of all the required features of a label for inspected product.)

Small Enterprise Exemption

A Small Enterprise Exemption Business Can Be:

- A producer/grower who raises, slaughters, and dresses poultry for human food and only processes dressed exempt poultry by cutting up;
- A business that purchases live poultry that they slaughter and dress and only process by cutting up;
- A business that purchases dressed poultry to distribute as carcasses and only processes inspected poultry or exempted dressed poultry by cutting up.

Small Enterprise Limitations

- The business slaughters and dresses or cuts up no more than 20,000 birds/carcasses in a calendar year under the exemption.
- The facility used to slaughter or process poultry is not used to slaughter or process another person's poultry unless the Administrator of FSIS grants an exemption [9 CFR 381.10 (b)(2)].

Small Enterprise Exemption may sell to:

- Household Consumer
- Retail Stores (grocery stores) that are not operating under an exemption
- Hotels
- Restaurants and similar institutions
- Distributors

Small Enterprise Exemption

May not cut up and distribute poultry products to a business operating under the following exemptions:

- Producer/grower or PGOP Exemption
- Retail dealer exemption
- Retail store exemption

Small Enterprise Exemption

A small enterprise is not prohibited from selling live poultry to a customer and then slaughtering, dressing, and cutting up the poultry for the customer.

Selling **live** poultry is not the same as buying or selling **poultry products**, one of the criteria that prevent a business from claiming the Custom Exemption.

Small Enterprise Exemption Labeling Requirements

1. Name of the product;
2. Ingredients statement;
3. Statement of the quantity of contents in terms of weight or measures;
4. Name and address of manufacturer;
5. Special handling statement;
6. Date of packing;
7. Explanatory statement indicating why the inspection legend is not permitted; for example, the phrase “Small Enterprise Exemption from Inspection” is suggested by FSIS but is not a mandatory requirement. “Exempt – PL90-492” is sufficient.
8. Safe handling instructions that comply with the requirements of Title 9 CFR 381.125(b)(2)(ii).

Small Enterprise Exemption Labeling

If the label does not bear nutrition or health claims, the nutrition facts feature of the label is optional.

[CFR 381.500: Exemption from nutritional labeling]

Small Enterprise Safe Handling

Instructions must comply with the requirements of 9 CFR 381.125(b)(2)(ii):

“Some food products may contain bacteria that could cause illness if the product is mishandled or cooked improperly. For your protection, follow these safe handling instructions.”

Small Enterprise Safe Handling

It is **not acceptable** to use the following safe handling statement used on inspected product (9 CFR 381.125.(2)(i)):

“This product was prepared from inspected and passed meat and or poultry. Some food products may contain bacteria that could cause illness if the product is mishandled or cooked improperly. For your protection, follow these safe handling instructions.”

Safe Handling Instructions



Some food products may contain bacteria that could cause illness if the product is mishandled or cooked improperly. For your protection, follow these safe handling instructions.



Keep refrigerated or frozen. Thaw in refrigerator or microwave.



Keep raw meat and poultry separate from other foods. Wash working surfaces (including cutting boards), utensils, and hands after touching raw meat or poultry.



Cook thoroughly.



Keep hot foods hot. Refrigerate leftovers immediately or discard.

Rationale statement modified per 9 CFR
381.125(b) (2) (ii) as product is not
inspected

Criteria	Personal Use	Custom	Produce Grower – 1,000 Limit	Producer Grower – 20,000 Limit	Producer Grower or Other Person	Small Enterprise
Slaughter Limit	NONE	NONE	YES 1,000	YES 20,000	YES 20,00	YES 20,000
Processing Limit	NONE	NONE	YES 1,000	YES 20,000	YES 20,000	CUT UP ONLY
Can Sell to any customer	NO Selling	NO Selling	YES	YES	LIMITED	YES
Can Sell to HRI	NO	NO	YES	YES	Can sell directly to: 1. HOUSEHOLD CONSUMERS, 2. RESTAURANTS, 3. HOTELS, AND 4. BOARDING HOUSES	YES
Sell to Distributor	NO	NO	YES	YES	NO	YES
Sell to Retail	NO	NO	YES	YES	NO	YES
Intra-State Distribution	NO	NO	YES	YES	YES	YES
Inter-State Distribution	NO	NO	NO	NO	NO	NO

Label/Identifying Items

	Produce Grower – 1,000 Limit	Producer Grower – 20,000 Limit	Producer Grower or Other Person	Small Enterprise
Name of Product				YES
Ingredients				YES
Statement of Quantity/Weight				YES
Name & Address of Manufacturer/ Processor	YES	YES	YES	YES
Date of Packing				YES
Exempt – PL90-492 or explanation	YES	YES	YES	YES
Safe Handling Instructions	YES	YES	YES	YES

Questions?

FSIS Question & Answer System

“askFSIS”

<http://askfsis.custhelp.com>